



GRADE A MIXED-USE INVESTMENT OPPORTUNITY



THE CHANCERY

3/10 CHANCERY LANE, DUBLIN 8

www.thechancerybuilding.com



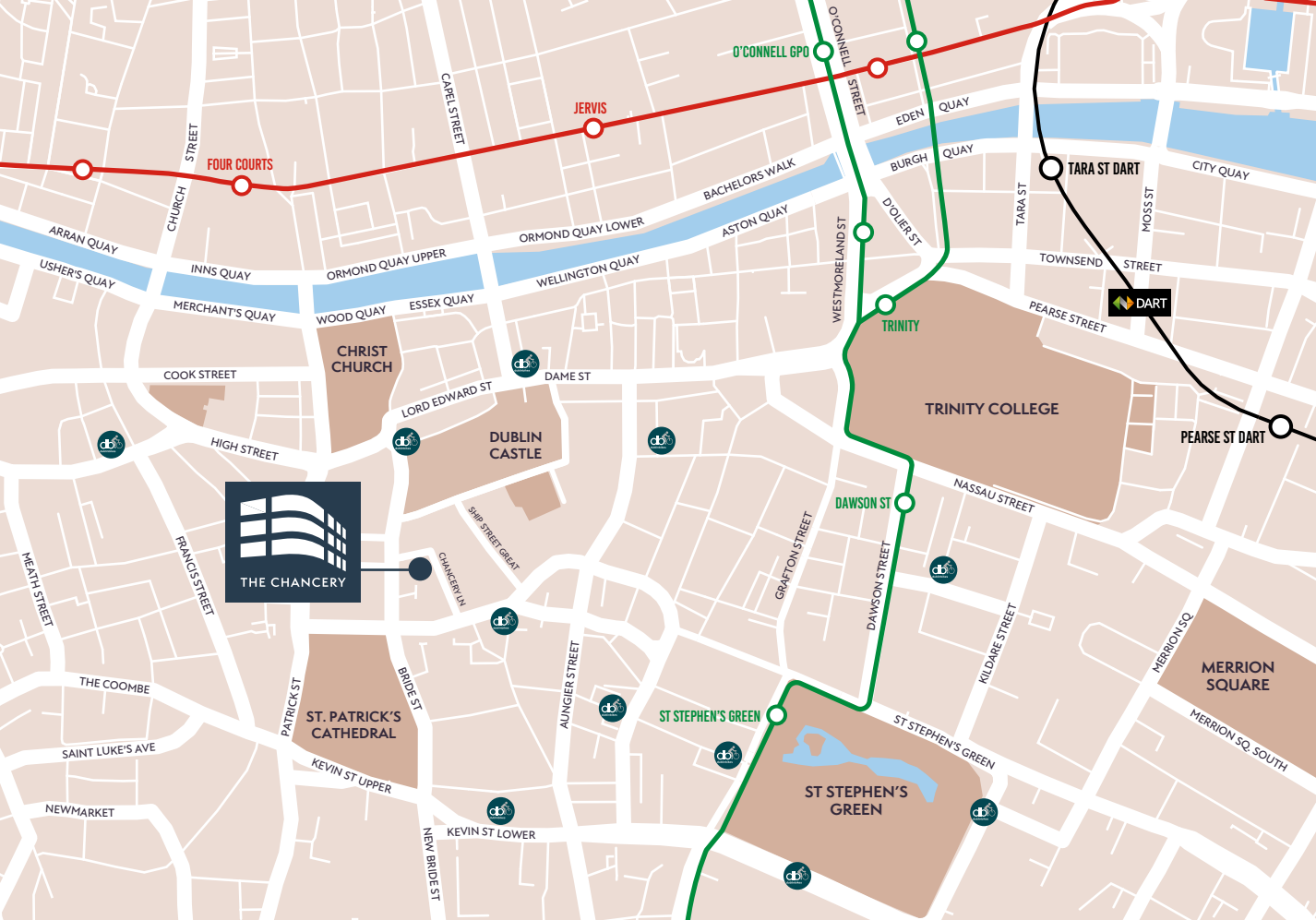
INVESTMENT SUMMARY

- Grade A City Centre Mixed Use Office Investment
- Approx. 750m North West of St Stephen's Green
- Approx. 3,185 sq.m. of prime office space
- Separate entrance to 4 spacious two-bed apartments
- Producing a current rental income of €1,495,621
- WAULT in the order of approx. 3.75 years
- 19 secure basement car-parking spaces and ample bicycle provision

VALUE ADD

- Full planning permission to add a sixth floor, extend the fifth floor and incorporate the four apartments into the existing office floor-plate. Total gain of approx. 914 sq.m.
- Clear road map to improve ESG and achieve overall target BER B2 rating





TRANSPORT

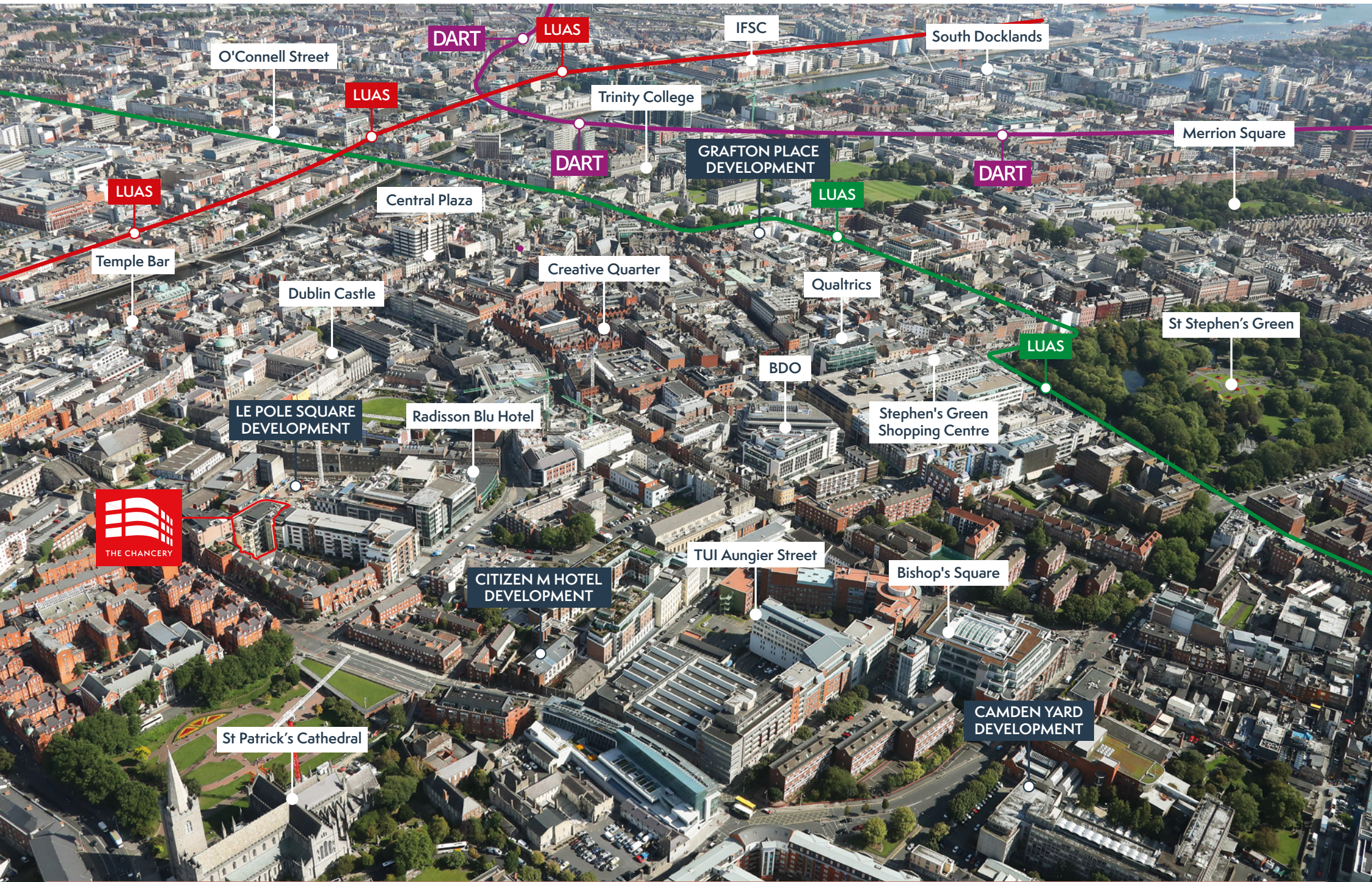
The property is well connected and benefits from a range of accessible transport means such as the Red and Green Line Luas both a 10-minute walk away. Bus routes in the area service all of Dublin and the surrounding commuter towns. Dublin Bike stations available at Golden Lane, Christchurch Place and Francis Street.

St. Stephens Green & Green Line LUAS	c.9 min walk
Grafton Street	c.10 min walk
Four Courts Red Line LUAS	c.11 min walk
Temple Bar	c. 7 min walk
Pearse Street DART	c.23 min walk
Dublin Castle	c.6 min walk

LOCATION

The Chancery, located in the heart of Dublin City Centre on Chancery Lane, is situated just 750m north west of St. Stephens Green. A superbly convenient location that affords the property and its tenant's advantageous access to all of Dublin City Centre's commercial, retail and leisure amenities. Located close to Grafton Street, Camden Street, South Great George's Street and Dublin's Creative Quarter which offers a diverse range of cafés, restaurants, bars, shops, cultural recreational facilities, and plenty more.





LOCAL DEVELOPMENTS



In the immediate vicinity, there has been and continues to be significant investment and development activity. Some recent noteworthy transactions and pipeline investments and developments in the area include:

LE POLE SQUARE



Directly opposite The Chancery Building there is a new commercial development under construction, called Le Pole Square. A new street link that will link Golden Lane with Great Ship Street and Dublin, will be created as part of this scheme. To the north of the new square will be One Le Pole Square, a new Grade A Office block which will on completion extend to 10,521 sq.m. To the south of the square will be a 91-bed extension to the existing Radisson Blu Hotel including a gym and retail units.

Newmarket Square – Development is at an advanced stage on the Bain Capital-backed €100m Newmarket Square development. The project consists of 29,570 sq.m. mixed use development, comprising of 413 build-to-rent apartments and a 151-bedroom hotel operated by the Premier Inn.

CITIZEN M HOTEL



Previously used as an office block, the Sam Stephenson's designed Molyneux House has been granted planning permission for Dublin's first Citizen M Hotel. The 247-bed hotel development will consist of approx. 8,000 sq.m covering a total site area of approx. 0.5 acres. It's reported that 'the development would contribute €21 million to the Dublin economy per annum when operational, provide 176 jobs and support 367 jobs during construction'.

Other prominent developments in Newmarket Square include the Aloft Hotel, the Teeling Whiskey Distillery, The Dublin Liberties Distillery, The Eight Building and two large student accommodation developments known as the Mill and the Tannery, operated by GSA.

CAMDEN YARD



The former DIT Kevin Street Campus is situated just 500m from The Chancery Building, and at 3.75 acres, The former DIT Kevin Street Campus is one of the most prominent development projects underway at present. Works have begun to provide a fantastic mixed-use development consisting of approx. 58,764 sq.m. of office accommodation and 299 build-to-rent apartments. The scheme is estimated to have a gross development value in the order of €475 million.

Former DIT Aungier Street Campus – A 5-minute walk from The Chancery Building is a 2.5 acres site with the potential to deliver in excess of 45,000 sq.m. of mixed-use accommodation. With the huge success of the DIT Kevin Street sale, once re-launched to the open market this opportunity is bound to attract significant interest from investors and developers, due to its variety of potential uses and development options.



DESCRIPTION

Constructed in 2005, The Chancery Building is a modern six-storey over basement office block with an adjoining residential apartment block with independent access.

The building has a steel reinforced concrete frame with an attractive glazed curved façade. It offers excellent natural light and some fantastic city views to its occupiers. The main reception area leads to the central access core of the building which provides access to each floor via the central open string stairwell and two 8-person passenger lifts. Master key security controls have been fitted to all offices with a swipe-card system in place.



The offices extend to approx. 3,185 sq.m with secure basement bicycle and car parking for 19 cars. The floor plates are bright and spacious with a mixture of suspended ceilings and exposed duct work. General layouts provide a good mix of open plan and cellular accommodation.

Floors average approx. 530 sq.m. Toilets and kitchenettes are provided on each floor level, with shower/drying and changing facilities located in the basement.

Other Grade A specifications include raised access floors, suspended ceilings, a mixture of 4 pipe fan coil and VRF air-conditioning, CAT5 cabling and a combination of strip,

pendant and recess light fittings. The penthouse on the fifth floor offers an exclusive outdoor terrace area which extends to 209 sq.m.

There is a separate entrance to the adjoining Chancery apartments, which leads to the main ground floor entrance hall. The apartment block is 4 storeys in height with one unit per floor.

Each unit extends to approx. 76 sq.m. GIA and all units are fully let to private residential tenants on a mix of rolling Part 4 and fixed term tenancies.



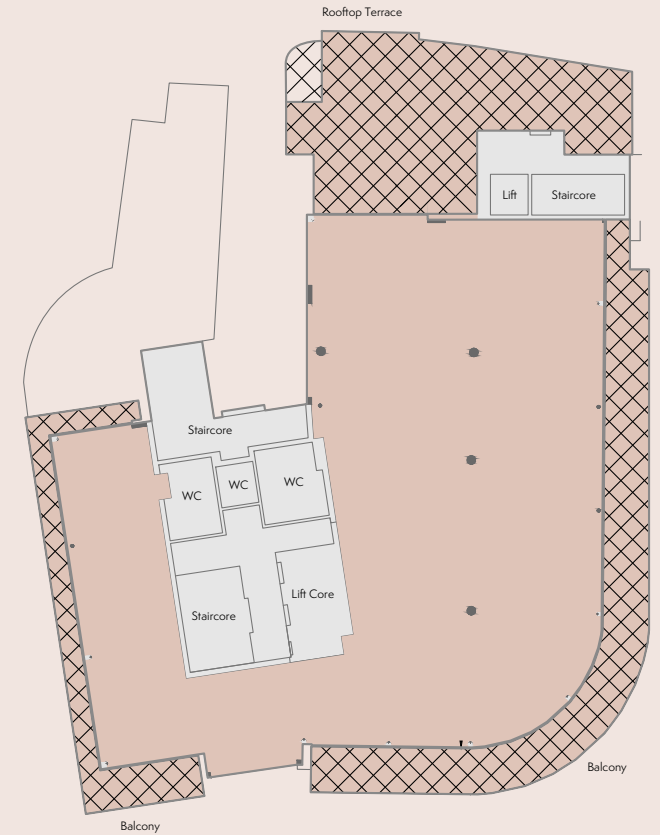
INDICATIVE EXISTING FLOOR PLANS



Ground Floor



Fourth Floor



Fifth Floor



VALUE ADD POTENTIAL

The asset benefits from full planning permission to extend the floor area of the office by a total of approx. 914 sq.m./9,838 sq.ft. under Dublin City Council planning reference no. 2491/20.

The proposed works to the existing Chancery building consist of three bodies of work; the incorporation of the four apartments into the existing office floor plates on floors 1-4, the alterations to the existing fifth floor, and the construction of a new sixth floor over.

The apartments on floors 1-4 will be incorporated into the existing office floorplates on the corresponding levels, with the core at that location providing additional vertical access and egress. Incorporation of the residential units will provide an additional approx. 304 sq.m. of office accommodation.

On the fifth floor, it is proposed to take in the majority of the existing setback terrace area up to the line of the fourth floor facade below along the northern and western side of the building. The existing setback glazing will be demounted and, if possible, reused above.

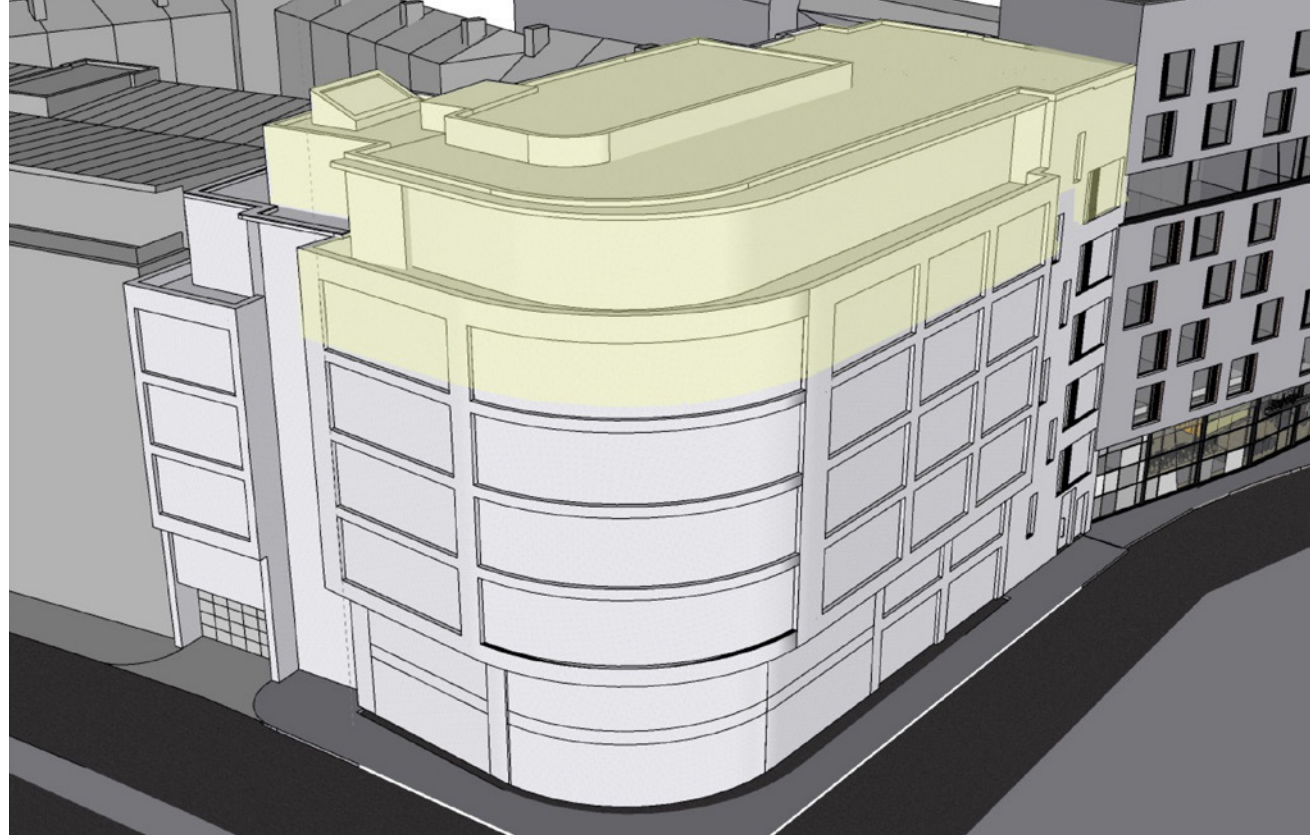
With these alterations, the fifth floor will provide an additional 184 sq.m. of office space.

The proposed sixth floor level will sit upon the existing 5th floor roof slab which was previously designed to take an additional floor. The sixth floor will have a glazed setback along Chancery Lane which will follow the line of the existing fifth floor setback.

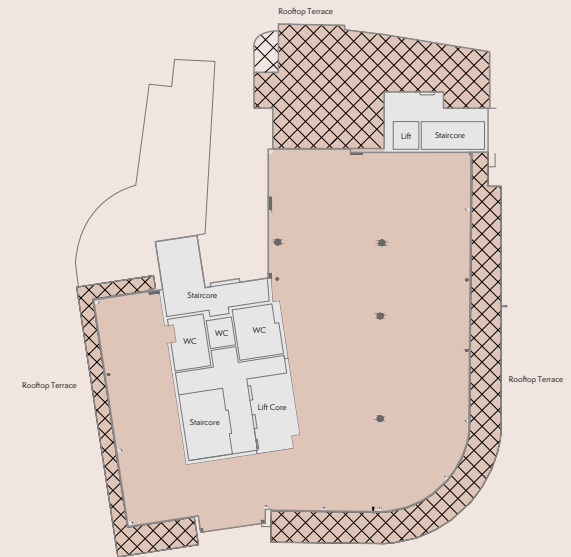
The sixth floor will have a large setback along the southern boundary to the Castle Way apartment building. The escape stair & two passenger lifts will be extended to serve the new sixth floor. The sixth floor will provide an extra approx. 426 sq.m. of office space.

ESG Upgrade

A full BER improvement assessment has been undertaken by Malcom Hollis and is available for review in the data-room. The report identifies a clear path to deliver an overall target B2 BER rating that will underpin the asset's future ability to meet the energy credentials that are demanded by modern corporate occupiers.



Proposed Fifth Floor



Proposed Sixth Floor



TENANCY SCHEDULE - COMMERCIAL

Floor	Tenant	Parking Spaces	Lease Start	Lease Expiry	Lease Break	Annual Rent
Ground	Wella (U.K.) Limited	-	01/06/2021	30/11/2027	01/12/2025 (6 months' notice & 6 months penalty)	€226,549
Part 1st Floor (South)	Vacant*	-		-	-	-
Part 1st floor (North), 2nd & 3rd	The Commissioners of Public Works (OPW)	10	16/06/2006	15/06/2026	-	€683,698
4th Floor	The Commissioners of Public Works (OPW)	3	06/12/2017	05/12/2027	-	€279,980
Fifth Floor & Mezzanine	Analytic Partners Limited	3	02/06/2016	01/06/2031	01/12/2023 (12 months' notice & 6 months penalty)	€206,466
Car Spaces	Vacant	3		-	-	-
		19				€1,396,693

*Currently occupied with Vacant Possession to be delivered from 30th November 2022.

TENANCY SCHEDULE - RESIDENTIAL

Unit	Tenant	Start Date	Term	Rent
1 The Chancery	Private Residential	15/08/2016	Rolling Part 4 lease	€22,104
2 The Chancery	Private Residential	07/07/2022	Fixed Lease	€29,868
3 The Chancery	Private Residential	01/03/2021	Rolling Part 4 lease	€23,400
4 The Chancery	Private Residential	15/12/2021	Fixed Lease	€23,556
				€98,928





AREA SUMMARIES

Commercial

Floor	Tenant	IPMS 3		Net Internal Area	
		Approx. sq. m.	Approx. sq. ft.	Approx. sq. m.	Approx. sq. ft.
Ground Floor	Wella	443.3	4,772	438	4,715
First Floor	Vacant*	105.6	1,137	104.3	1,124
First Floor	CSSO	442.5	4,763	431.7	4,648
Second Floor	CSSO	586.7	6,315	577.1	6,212
Third Floor	CSSO	588.3	6,332	578.6	6,228
Fourth Floor	CSSO	588.6	6,336	578.9	6,232
Fifth Floor	Analytic Partners	670.9	7,222	476.8	5,134
Total Commercial		3,425.90	36,877	3,185.40	34,293

*Currently occupied with Vacant Possession to be delivered from 30th November 2022.

Residential

Floor	Tenant	Gross Internal Area	
		Approx. sq. m.	Approx. sq. ft.
First Floor Apartment	Private Residential Tenancy	75.2	809
Second Floor Apartment	Private Residential Tenancy	76.4	822
Third Floor Apartment	Private Residential Tenancy	76.2	820
Fourth Floor Apartment	Private Residential Tenancy	76.6	825
Total Residential		304.4	3,276

Assignable Measurement Survey undertaken by Malcolm Hollis available in the Data Room.



TENANT PROFILE'S



The Office of Public Works (Chief State Solicitors Office)

The main function of the Irish Government Agency, the OPW is to support the implementation of government policy. Its main responsibilities include advising the Minister of Public Expenditure and Reform and Minister of State in relation to the States Property Portfolio and Flood Risk Management.

The OPW also look after some 780 heritage sites, which include buildings, national monuments, historic parks/gardens.

The Chancery Building is partly occupied by the Chief State Solicitors Office (CSSO) who have over 250 staff working from the building across legal and administrative roles. Some functions of the CSSO include providing litigation, advisory and conveyancing services to Government Departments and representing Ireland at the Court of Justice of the European Union.



Wella Studios (Wella (U.K.) Limited)

Originally founded in Germany over 140 years ago, Wella Company is a leading beauty company comprised of a family of iconic brands, that specialises in hair care, styling and colorants and have a range of products which are sold to individuals and hairdressers.

Between 2020 and 2021, KKR, an American Private Equity Fund acquired a number of brands within a portfolio from Coty, in a deal totalling \$2.5bn. This acquisition included 74% of the Wella Company as part of the portfolio. Wella Company are now established as a stand-alone private entity based in Geneva, Switzerland. Other Wella Company brands include Wella Studios, Wella Professionals, OPI, NIOXN and GHD. The group is present across 100 countries and employs 6,000 people globally.

Wella Studios is a world class hairdressing training company. It is dedicated to providing the best beauty education to the market with nearly 50 training studios across the globe for those aspiring to excel in the industry.



Analytic Partners

Founded in 2000, Analytic Partners is a privately held firm that has grown to become an independent global leader in analytic solutions. A main priority of Analytic Partners is helping top clients and companies adapt to the ever-evolving world that is data, analytics, and strategic management and increase their performance therein. They provide a cloud-based, managed software platform which provides adaptive solutions for deeper business understanding and right-time planning & optimization for marketing and beyond. The firm has worked across a wide range of sectors to include Financial Services, Automotive, Consumer Goods, Travel & Hospitality and Retail & Restaurant.

With 13 offices globally, over 20-years' experience and powerful technology, Analytic Partners have partnered with large global brands such as Microsoft, Snapchat, Google Measurement Partner, Facebook Marketing Partner, Amazon Advertising and TikTok for Business.



ECONOMY

The World Bank's growth forecast for 2022 is currently 2.9%. 2023 and 2024 are expected to see more or less flat growth, with an average of 3% forecast, due to higher commodity prices and interest rates. While all economies are feeling the squeeze, their performances will be impacted to varying extents by underlying factors, in particular the key drivers of economic activity and the labour market.

Ireland is however well positioned to weather the current global challenges. Current figures show 2.5m people are now employed in Ireland, the highest on record and export demand is set to continue to be the main engine of growth for the rest of 2022 and into 2023.

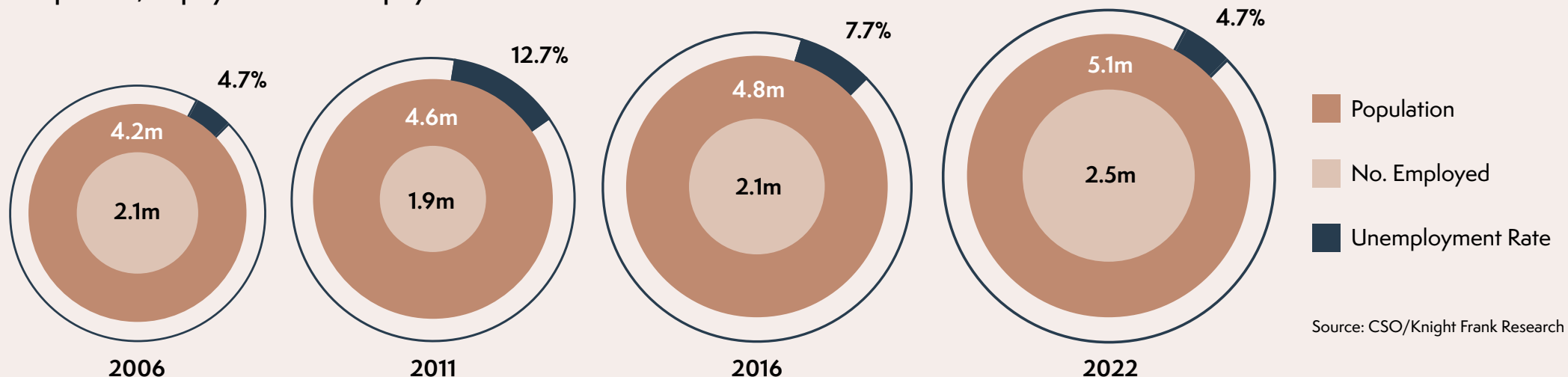
Strong employment numbers, along with positive exports, consumption and tax revenue, are among some of the indicators that are underpinning Ireland's resilience and reflects the strength of activity in the high value adding sectors that have come to the fore in the Irish economy over recent years. The consumer is also expected to continue to make a positive contribution, albeit more subdued than in 2021.

Economic growth forecasts

	2022*	2023*
US	2.5%	2.4%
UK	1%	1%
Euro Area	2.5%	1.9%
China	4.3%	5.2%
Japan	1.7%	1.3%
Ireland	6.6%	4.8%
Ireland Modified Domestic Demand	4.3%	3.7%
Global	2.9%	3%

*World Bank, IMF, EU Commission, Irish Central Bank, Department of Finance, ESRI.

Population, employment and unemployment





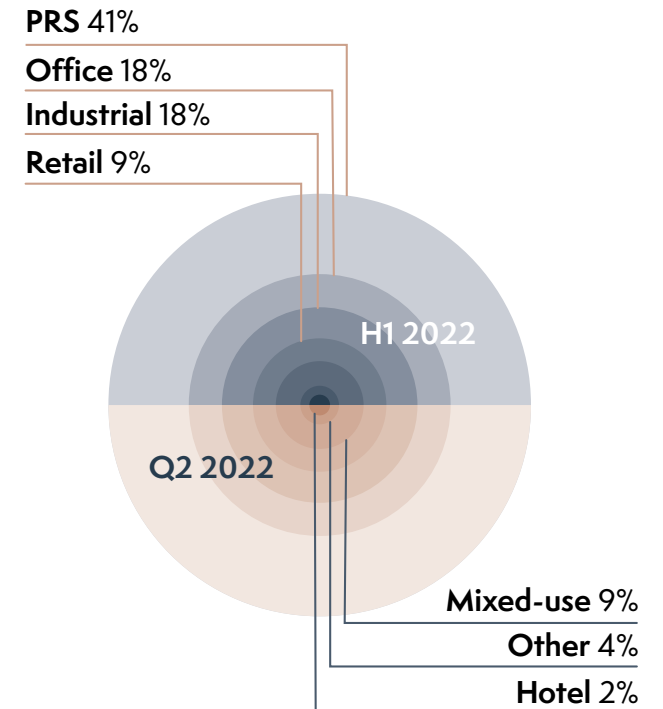
OFFICE INVESTMENT ACTIVITY

Robust levels of demand in the occupational markets continues to support investor confidence and investment activity remained strong in Q2 2022. €2.3 billion worth of investment activity transacted in Q2, of which €276m was of office assets, bringing the total spend to €3.1 billion for the first half of the year. The office sector accounted for 22% of total investment spend in Q2 or €275.8 million (excluding the sale of Hibernia REIT), making it the second most sought after asset class.

The two largest office transactions of Q2 were both purchased by new entrants. Blocks 1-3, The Founders District, Dublin 4, which is occupied by Flutter Entertainment, was sold to LCN Capital Partners for €97.5 million, while 5 Harcourt Road, Dublin 2, which is let to WeWork, was acquired by REInvest for €65.0 million. Pricing in Dublin has remained stable for prime assets due to the shortage of opportunities.



Breakdown of investment spend by sector (%) H1 2022



Prime Yields Q2 2022

Office	4%
PRS	3.75%
Retail - Prime High Street	4.50%
Retail - Prime Shopping Centre	6%
Retail - Prime Warehouse	5.75%
Logistics/Industrial	4%
Ireland Modified Domestic Demand	3.7%
Global	3%

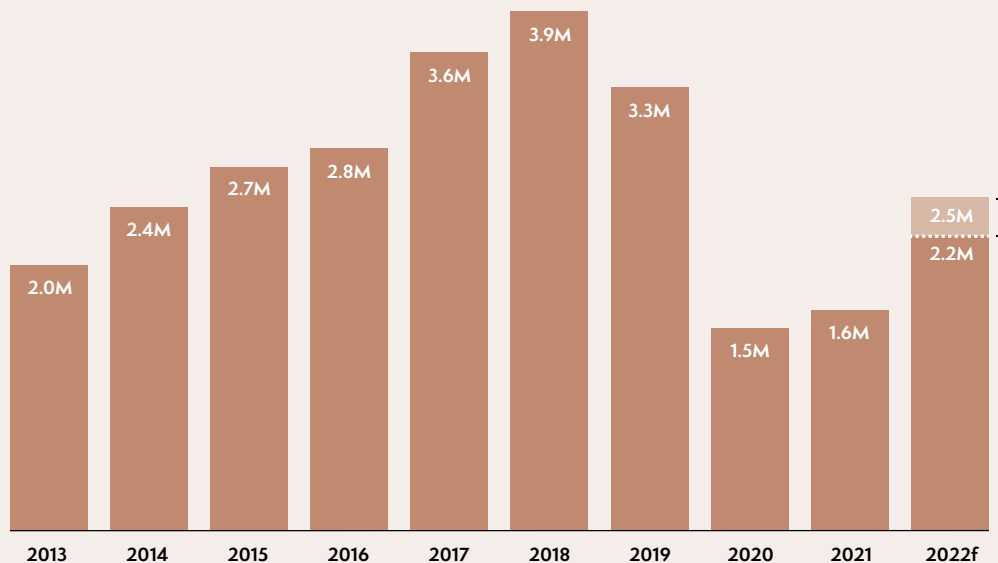


OFFICE SUPPLY & OCCUPIER DEMAND

There was take-up of 491,000 sq ft in the second quarter, bringing the total take-up for the first half of the year to 962,000 sq ft. Almost 50% of the 1.0m sq ft of space that is due to complete in the City Centre in the second half of the year is already pre-let. The outlook for the office market remains, as always, closely aligned to the performance of the economy and some of the key high value-add sectors that are driving economic growth. Such key sectors include Technology, Media & Telecommunications (TMT), Fintech, Pharma/Life Sciences, Energy Solutions and Aviation. In Ireland's case those sectors have seen a solid expansion in employment numbers over the last number of years. While subjected to shocks which could slow down some global decision making over the next six to twelve months, the need to adapt to new ways of working and provide space that is best in class in order to attract and retain talent has never been more important.

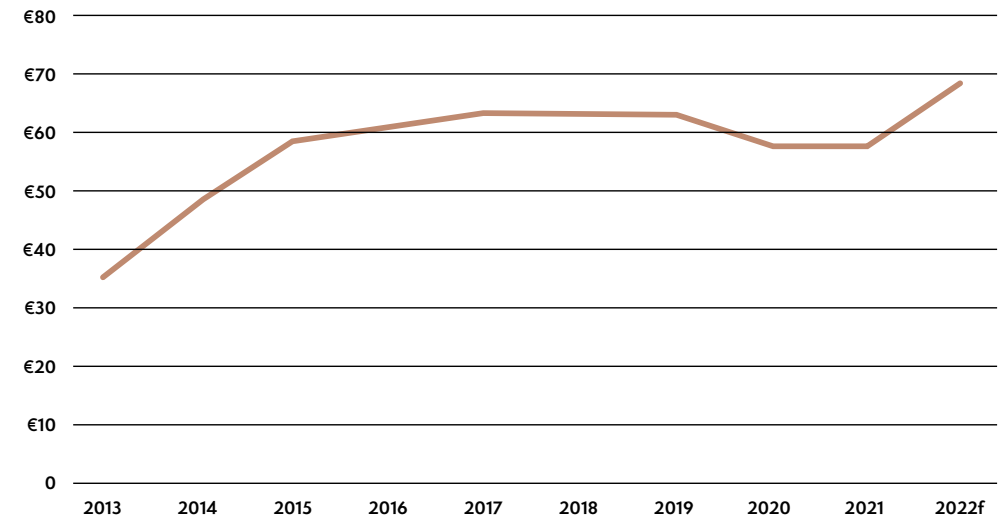
Despite the challenges on a global scale there is continued evidence of pent-up office demand in the Irish market with 1.4m sq ft of space reserved YTD. There remains a strong expectation for total take-up for 2022, predicted at approx. 2.2m sq ft with potential on the upside to 2.5m sq ft.

Office take-up sq ft (millions)



Source: Knight Frank Research

Prime rental growth (per sq ft)



Source: Knight Frank Research

INVESTMENT RATIONALE

The tiering of the Dublin's available office space is inevitable, as occupier and investor preferences for best in-class accommodation with sustainable credentials is now, and set to continue to be, the leading driver of both occupier and investor demand.

With overall transaction volumes expected to moderate over the coming quarters due to lack of ready-made prime office investments to target in Dublin city centre, it is anticipated that greater focus to seek out well located value-add opportunities will emerge. The Chancery offers savvy investors the opportunity to repurpose and extend a third generation building in one of Dublin city's most active and developing locations. With a WAULT of approx. 3.75 years, the opportunity also provides buyers with a secure immediate income underwrite and allows adequate time and income coverage to formulate considered asset management strategies and assemble a professional team prior to implementation.



ZONING

The Chancery Building is zoned Z5 "city centre" within the Dublin City Development Plan 2016-2022. "To consolidate and facilitate the development of the central area, and to identify, reinforce, strengthen and protect its civic design character and dignity."

TITLE

Freehold.

BER

BER C3 E1

DATAROOM

www.thechancerybuilding.com

VIEWINGS

Viewing strictly by appointment through sole agent Knight Frank.

The residential units can be viewed online via a 3D Matterport Virtual Tour. Link provided in the dataroom.



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